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AUTHOR	Edelson, Paul Jay
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ABSTRACT

Despite the setbacks of many virtual education programs at the collegiate level, the public's widespread, growing acceptance of electronic learning (e-learning) argues for continued expansion of virtual education. When designing virtual programs, colleges and universities typically follow an administrative model that is hierarchical, bureaucratic, labor intensive, and thus ill-suited to the fast-paced, ever-changing world of virtual education. Most successful players in the world of e-learning have displayed the following features of entrepreneurial organizations: real-time opportunistic responses; reliance on self-generated revenue; localized decision making, the relative absence of hierarchy, small size, and a strong and a culture supportive of risk-taking behavior. Higher educational institutions wanting to be successful in the world of virtual education must adopt the following strategies: (1) apply previously developed expertise in addressing the needs of part-time students; (2) begin with small experiments and rigorously examine the outcomes; (3) study the larger environment of success and failure; (4) follow the ball and try to anticipate where it will bounce; (5) encourage the best people to become involved in developing e-learning programs; (6) promote a supportive environment for experimentation, including following up with additional resources for further growth; and (7) accept that successful strategies must continue to evolve to ensure generating "value" for the organization and the consumer. (MN)

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Strategy Formation in Virtual Education: The Case for Dynamic Incrementalism

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Paul Jay Edelson, Ph.D.
Dean, School of Professional Development
State University of New York at Stony Brook
paul.edelson@sunysb.edu

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Introduction

There is no sector of higher education more unpredictable than virtual learning. A combination of factors including the rapid pace of technological innovation, an unclear regulatory environment, a rush of new competitors, and large, unmet demand for higher education have created a wealth of choices and opportunities for providers and consumers alike. Despite setbacks and blunders, the growing widespread acceptance for e-learning by the public, including national governments and other international bodies, argues for the continued expansion of this dynamic facet of collegiate level instruction.

But a shake-out in the marketplace is taking place. Some colleges have given up, and dropped their virtual programs as too expensive. Others, perhaps thinking that anything electronic would be successful, have poorly understood the criteria valued by students. A spirited counterattack by academicians- faculty, administrators, and organizations representing the higher education establishment- have alleged poor quality and a propensity towards fraud. The overselling of e-commerce has further diminished the allure, and often the profitability, of all technology ventures. Where once everything was coming up roses, the thorns obscuring and complicating success have become all too evident.

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Yet the fact remains, the growth of e-learning programs has been steadily incremental. Surely, some colleges have either scaled back or abandoned their virtual programs, but many more continue to add capacity in the form of new degree programs, additional faculty, and investment in administrative infrastructure. The question remains of how best to approach this sector? What are the best planning strategies to follow in developing virtual learning programs? The larger issue of strategy in higher education overlays the specific issues of technology adding further complications to academic planning. This paper presents an overview of critical strategy formation issues in education with a special focus on those pertaining to e-learning.

Strategy in Higher Education

The Administrative Model.

Strategy in colleges and universities typically follows an administrative model borrowed from business. Its appeal reflects more the contrast of academic and administrative cultures within higher education, rather than the applicability and value of this planning schema. The administrative model is hierarchical, bureaucratic, and labor intensive and thus heavily dependent upon the need for adequate staff size. It is process-oriented, and most effective when standardized implementation is valued rather than innovation. Planning is commonly undertaken by a defined "planning group" working with a small number of senior administrators. Decisions are based upon a careful evaluation of data and the deliberate sifting of options in order to come up with what is believed to be the optimal solution.

The model is ill-suited to the fast-paced, "bird in flight," changing world of virtual education. Additionally, assumptions concerning groups of expert planners working with omniscient senior administrators, curtail its utility within the expanding universe of continuing higher education as it is emerging throughout the USA.

The spread of for-credit continuing higher education is now principally within smaller institutions that are for the first time organizing their part-time outreach activities within a discrete continuing education bureau. Staffing for these new entrants usually consists of a director, secretary, and perhaps a single part-time assistant. While larger continuing education programs at major universities, often with staffs exceeding one hundred, have easily adapted the principles of administrative management to their operations, smaller programs at less well funded universities have had to adapt an alternative approach to strategic planning although simultaneously paying lip-service to the traditional model.

Entrepreneurial Structure

While the entire field of continuing education is commonly considered to be "entrepreneurial" this is in actuality more a reflection of funding policies than an accurate description of their behavior. Typically all continuing education offices must bear a larger responsibility for self-support, and, in comparison, with collegiate academic units superficially appear to be functioning with a more business-like, and, hence, entrepreneurial coloration. But in truth, this is not universally true of the larger administrative units which are more appropriately characterized as examples of "process culture." Exceptions would be offices or divisions within the larger organization wherein the entrepreneurial culture is more firmly established.

When we speak of the entrepreneurial organization, the features we have in mind include real-time opportunistic response, reliance upon self-generated revenue, localized decision-making, relative absence of hierarchy, small size, and strong, cohesive culture supportive of risk-taking behavior. Clearly there are small organizations that do not possess these characteristics. But overall, they tend to correspond more closely to this than to the administrative model.

Strategy in Entrepreneurial Organizations

The viability of entrepreneurial organizations is sustained by a strategy formation model appropriate to the tasks at hand. However, it is not sufficient to simply imply that these organizations are reactively responding to stimuli in their environment, taking advantage of opportunities that randomly present themselves. To make that assertion would to downplay and ignore the importance of rational decision-making, the value of experience, and the need to clearly comprehend the projected consequences of action and inaction. Moreover, it would also be inaccurate to suggest that the principal difference between entrepreneurial and non-entrepreneurial decision-making is one of speed, although that is surely a significant dimension. Rather, I would submit that the principal quality is the assumption of *plasticity* in the organization's interaction and ability to influence its external environment. By that I mean being able to calibrate and adjust, reformulate, and modify its actions and behaviors, including the products and services it brings to the educational marketplace. Strategy formation in this milieu can be seen as a new mode of organizational learning.

Successful players in the world of e-learning have displayed these features; the unsuccessful have not.

Entrepreneurial Strategy in a Virtual Environment- "Dynamic Incrementalism"

Over the past year we have witnessed a significant number of schools curtail or redirect their virtual learning operations. An examination of the "failures" reveals two major planning flaws. One type was in viewing virtual education primarily from a profit/loss revenue generating perspective. Surprisingly, a number of well funded efforts were undertaken by prestigious universities, even though these schools lacked a convincing history of functioning in the commercial marketplace.

The second category consisted of those who attempted to replicate in on-line formats, the academic structure and composition of their traditional programs. Thus, they used full-time faculty with no extensive prior experience, in e-learning.

By way of contrast, successful programs, although they followed different planning trajectories all had one thing in common- what I have come to call "dynamic incrementalism." This holds true for both profit and not-for-profit colleges. I have identified below the various components of this strategy:

Applying previously developed expertise in addressing the needs of part-time students.

Beginning with small experiments and rigorously examining the outcomes.

Studying the larger environment of success and failure.

Following the ball and trying to anticipate where it will bounce.

Encouraging the best people to become involved in developing e-learning programs.

Promoting a supportive environment for experimentation including following up with additional resources for further growth.

Accepting that successful strategies must continue to evolve to ensure generating "value" for the organization and the consumer.

Dynamic incrementalism as I have outlined describes an organization's effective dialectical relationship with its environment. Strategy unfolds, integrating cause and effect, reflecting subtle changes in the behavior of students and faculty. All are integrated in this example of true organizational learning.

Conclusions

Administrators in continuing education rarely have sufficient resources to bring about large-scale change. Although this is true for most, if not all, higher education managers, the predicament of those in adult education is *sui generis.* Neither academic nor administrative, they occupy a middle ground that is buffeted by contradictory expectations and assumptions- for example, having to run what superficially resembles a business, within a larger, distinctly non-businesslike academic environment.

For strategy formation in continuing education to be successful it must be precisely attuned to the realities, constraints, and opportunities that abound. Above all, the intellectual planning capital developed by continuing education leaders is a superb resource, a strategic tool *par excellence* for the task at hand. Intellect coupled with instinct, attention to process, a keen sense of history, and a flair for innovation are the keys to success. The terrain of virtual education is littered with magnificent failures. But victory will come to those who strategize every day, not just when they "have to."

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Name:	Dr. Paul J. Edelson
Signature:	Paul J Edelson
Organization:	State University of New York at Stony Brook
Position:	Dean, School of Professional Development
Address:	SUNY Stony Brook Stony Brook NY□□□
Zip Code:	11794-4310
Telephone No:	631.632.7051
Fax:	631.632.9046
E-mail:	paul.edelson@sunysb.edu
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